

1999). Further, a new withholding certificate remains valid for the period specified in §1.1441-1(e)(4)(ii), regardless of when the certificate is obtained.

[T.D. 6500, 25 FR 12075, Nov. 26, 1960]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting §1.1441-4, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.fdsys.gov](http://www.fdsys.gov).

**§ 1.1441-4T Exemptions from withholding for certain effectively connected income and other amounts (temporary).**

(a)(1) through (a)(2) [Reserved] For further guidance, see §1.1441-4(a)(1) through (a)(2).

(3) *Income on notional principal contracts*—(i) *General rule.* Except as otherwise provided in paragraph (a)(3)(iii) of this section, a withholding agent that pays amounts attributable to a notional principal contract described in §1.863-7T(a) or §1.988-2(e) shall have no obligation to withhold on the amounts paid under the terms of the notional principal contract regardless of whether a withholding certificate is provided. However, a withholding agent must file returns under §1.1461-1(b) and (c) reporting the income that it must treat as effectively connected with the conduct of a trade or business in the United States under the provisions of this paragraph (a)(3). Except as otherwise provided in paragraph (a)(3)(ii) of this section, a withholding agent must treat the income as effectively connected with the conduct of a U.S. trade or business if the income is paid to, or to the account of, a qualified business unit of a foreign person located in the United States or, if the payment is paid to, or to the account of, a qualified business unit of a foreign person located outside the United States, the withholding agent knows, or has reason to know, the payment is effectively connected with the conduct of a trade or business within the United States. Income on a notional principal contract does not include the amount characterized as interest under the provisions of §1.446-3(g)(4).

(ii) [Reserved] For further guidance, see §1.1441-4(a)(3)(ii).

(iii) *Exception for specified notional principal contracts.* A withholding agent

that makes a payment attributable to a specified notional principal contract described in section 871(m), or §1.871-16T that is not treated as effectively connected with the conduct of a trade or business within the United States shall have an obligation to withhold on the amount of such payment that is a dividend equivalent.

(b) through (g) [Reserved] For further guidance, see §1.1441-4(b) through (g).

(h) *Effective/applicability date.* This section applies on or after January 23, 2012.

(i) *Expiration date.* The applicability of this section expires on January 16, 2015.

[T.D. 9572, 77 FR 3110, Jan. 23, 2012; 77 FR 13969, Mar. 8, 2012]

**§ 1.1441-5 Withholding on payments to partnerships, trusts, and estates.**

(a) *In general.* This section describes the rules that apply to payments made to partnerships, trusts, and estates. Paragraph (b) of this section prescribes the rules that apply to a withholding agent making a payment to a U.S. partnership, trust, or estate. It also prescribes the obligations of a U.S. partnership, trust, or estate that makes a payment to a foreign partner, beneficiary, or owner. Paragraph (c) of this section prescribes rules that apply to a withholding agent that makes a payment to a foreign partnership. Paragraph (d) of this section provides presumption rules that apply to payments made to foreign partnerships. Paragraph (e) of this section prescribes rules, including presumption rules, that apply to a withholding agent that makes a payment to a foreign trust or foreign estate.

(b) *Rules applicable to U.S. partnerships, trusts, and estates*—(1) *Payments to U.S. partnerships, trusts, and estates.* No withholding is required under section 1.1441-1(b)(1) on a payment of an amount subject to withholding (as defined in §1.1441-2(a)) that a withholding agent may treat as made to a U.S. payee. Therefore, if a withholding agent can reliably associate (within the meaning of §1.1441-2(b)(vii)) a Form W-9 provided in accordance with §1.1441-1(d)(2) or (4) by a U.S. partnership, U.S. trust, or a U.S. estate the